

M-24
 W-17
 FILE ED-188A.

6 March 1959

MEMORANDUM FOR THE RECORD

SUBJECT: Aircraft Cargo Doors (C-54) - Additional Funds (ED-188A)

1. Pursuant to a request from PPS/AIRD dated 3 July 1958, a task order was initiated with [redacted] RD-155, 25X1 Task I, for the procurement of five (5) sets of special inward opening cargo doors; C-54 Aircraft.

2. It was the understanding of TSS/ED and TSS/Budget Officer ([redacted]) that PPS/AIRD would transfer the sum of \$50,000 to TSS for the cost of four (4) sets of cargo doors. TSS to be responsible for the development, Fabrication, and installation of the initial prototype doors. Funds available from PPS/AIRD were cited in letter of paragraph 1 above. 25X1

3. A letter dated 10 July 1958 was sent to the comptroller (Attention: [redacted]) requesting that the necessary action be taken to transfer the PPS/AIRD funds to TSS. The initial task was released to A/A 18 August 1958. Due to unforeseen difficulties associated with the door fabrication and necessary design changes, a request for additional funds was issued 11 February 1959. PPS/OPSER/AIRD was notified, letter dated 12 February 1959, of the required increase in funds and requested to transfer their portion to TSS. A breakdown follows: 25X1

<u>Service</u>	<u>TSS Obligation</u>	<u>AIRD Obligation</u>	<u>Total</u>
Overrun	\$13,937.16	\$19,062.03	\$32,999.19
Scope Change	11,928.25	17,278.27	29,206.52
Mock-up	6,662.10	--	6,662.10
TOTAL	\$32,527.51	\$36,340.30	\$68,867.81

4. Some question was raised as to the availability of funds from OPSER/AIRD in view of recent administrative developments. Authority to expend the funds required for OPSER/AIRD was granted by [redacted], Comptroller, DPD-DD/P, letter dated 26 February 1959. This memorandum stated that the initial fund allotment of \$50,000 be increased to \$86,340.30. In addition, [redacted] TSS/Budget Officer, was instructed by [redacted] on 3/4/59 (telephone conversation) to authorize the requisition(s) for [redacted] under Mr. Rief's signature. 25X1

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5. It was the initial desire to transfer funds from OPSEER/AIRD directly to TSS for the necessary expenditures. However, OPSEER/AIRD refused to follow this procedure and requested that two allotment Numbers and two requisitions, one for TSS and one for AIRD, be carried together and assigned to Task I of RD-155. The initiation of Task I cited only one requisition number and one Allotment Number, both issued through TSS. As per the understanding of paragraph 2, TSS would expend the necessary funds and receive reimbursement from OPSEER/AIRD at a later date in the amount of \$50,000. Inquiry disclosed that no action had been taken upon the letter to the comptroller (paragraph 3) to date, and TSS has been burdened with the whole initial task (\$77,164.86).

6. The present request for additional funds has been approved and the moneys apportioned under two accounts (TSS and OPSEER/AIRD). Reimbursement procedure for the initial \$50,000 to TSS is being administered through the Comptroller's office.

7. What appeared to the writer as a simple means in which to expedite tasks where double funding is involved (direct transfer of funds), and minimize the administrative procedures, resulted in a very complex situation. It is recommended that should future tasks of this nature be encountered, funding administration and procedure should be determined and approved prior to initiating the formal task request.



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